

FCC MAIL SECTION

Federal Communications Commission

DA 99-2955

DEC 28 10 27 AM '99

Before the  
Federal Communications Commission  
Washington, DC 20554

DISPATCHED BY

In the Matter of	)	
	)	
Request for Review of the	)	
Decision of the	)	
Universal Service Administrator by	)	
	)	
Crookston Public Schools	)	File No. SLD-50583 102180
Crookston, Minnesota	)	
	)	
Federal-State Joint Board on	)	CC Docket No. 96-45 ✓
Universal Service	)	
	)	
Changes to the Board of Directors of the	)	CC Docket No. 97-21
National Exchange Carrier Association, Inc.	)	

**ORDER****Adopted: December 20, 1999****Released: December 21, 1999**

By the Common Carrier Bureau:

1. The Bureau has under consideration a Letter of Appeal filed by Crookston Public Schools (Crookston) on August 30, 1999, seeking review of a decision issued by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (Administrator). Crookston seeks review of SLD's denial of its request to change a service provider for the 1998 funding year.<sup>1</sup> This process is referred to as a Service Provider Identification Number (SPIN) change request. For the reasons set forth below, we deny the Letter of Appeal.

2. Under the schools and libraries universal service support mechanism, eligible schools, libraries, and consortia that include eligible schools and libraries, may apply for discounts for eligible telecommunications services, Internet access, and internal connections.<sup>2</sup>

3. In a letter to SLD, dated March 30, 1999, Crookston requested permission to change the SPIN of the telecommunications service provider listed in its April 15, 1998 FCC Form 471. US West was the vendor listed on Crookston's FCC Form 471. Crookston informed SLD that the SPIN change was necessary because it had recently learned that the school district's business manager had signed a new contract with a different vendor (FirsTel) for telecommunications services. On August 18, 1999, the Administrator issued a decision denying

<sup>1</sup> Section 54.719(c) of the Commission's rules provides that any person aggrieved by an action taken by a division of the Administrator may seek review from the Commission. 47 C.F.R. § 54.719(c).

<sup>2</sup> 47 C.F.R. §§ 54.502, 54.503.

the SPIN change. The Administrator explained that it was SLD's policy to grant SPIN change requests in only three circumstances:

1. When the service provider refuses to participate in the E-rate program.
2. When the service provider has gone out of business.
3. When the service provider has breached its contract with the applicant.

Because Crookston's request did not satisfy any of these conditions, its request was denied.

4. Upon review, we uphold the determination of the Administrator. In the *Universal Service Order*, the Commission determined that competitive bidding is the most efficient means for ensuring both that eligible schools and libraries are informed about all the choices available to them and that prices are not needlessly high. Thus, the Commission required eligible schools and libraries to seek competitive bids for all services eligible for discounts.<sup>3</sup> In order to maintain the integrity of the competitive bidding system, SPIN changes generally are not permitted. Nevertheless, as noted in the Administrator's decision, SLD, with Commission approval, determined that in a limited number of circumstances, SPIN changes would be allowed where the originally chosen provider was unwilling or unable to provide service. In this case, based on Crookston's explanation to SLD, the need to make a SPIN change was not necessitated by any default on the part of the original vendor. Rather, it resulted from the school's own voluntary action. Based on our finding that Crookston's SPIN change request does not fall within one of the enumerated exceptions, we conclude that the Administrator correctly denied the request.

5. In its Letter of Appeal to the Commission, filed August 30, 1999, Crookston characterizes the need for the SPIN change differently than it did in its letter to the Administrator. In the instant Letter of Appeal, Crookston states that it erroneously identified US West as its service provider in the FCC Form 471, when in fact FirsTel was its provider. Assuming this explanation to be true, it does not provide a basis for granting Crookston's appeal. Crookston bears the responsibility for reviewing the forms it files with SLD for any discrepancies or errors. Its failure to rectify its error in a timely manner provides an insufficient basis for granting the requested relief.

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<sup>3</sup> See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd. 8776, 9029, para. 480 (1997) (*Universal Service Order*), as corrected by Errata (rel. June 4, 1997), *affirmed in part, reversed in part, remanded in part in Texas Office of Pub. Util. Counsel v. FCC*, 183 F. 3d 393 (5<sup>th</sup> Cir. 1999).

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6. ACCORDINGLY, IT IS ORDERED, pursuant to authority delegated under sections 0.91, 0.291, and 54.722(a) of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 54.722(a), that the appeal filed by Crookston Public Schools on August 30, 1999, IS DENIED.

FEDERAL COMMUNICATIONS COMMISSION

A handwritten signature in black ink, appearing to read "Yog R. Varma", with a long, sweeping horizontal stroke extending to the right.

Yog R. Varma  
Deputy Chief, Common Carrier Bureau